



PACFLT Logistics Overview

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6/28/02

“I don’t know what this Logistics stuff is that Marshall keeps talking about but ... I want some of it !”



Objectives

- To **optimize** at the **Navy** level
- To be **cost effective**
- To maintain an emphasis on **readiness**



Background

- The Navy's need to **re-capitalize** is limiting the availability of resources which can be allocated to readiness.
- We must **maintain current mission and readiness** capabilities as we **prepare** for the **future**.
- Our **maintenance, supply, and repair** communities must **work together** to optimize **material availability** to support our **global mission** in the most cost effective manner.



Sea Power - 21

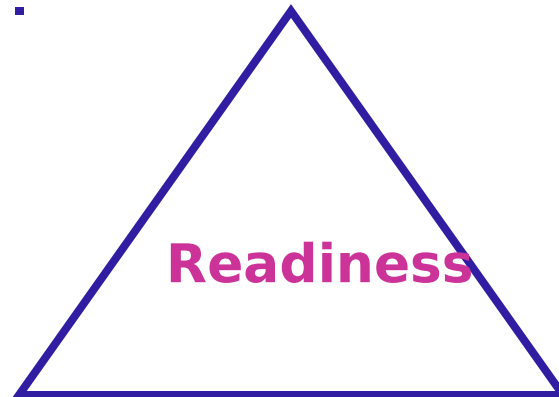
Logistics Readiness

Unified Commander

1. **Develop**
 - **Plan**
 - **ConOPS**
2. **Identify**
 - **Resources**
 - **Timing**
3. **Determine**
 - **Capability**
 - **Risk**
 - **Impact**
 - **Vulnerability**

OPNAV

- **Assess Reqmt**
- **Provide Resources**



Players

- **Fleet Cmdrs**
- **OPNAV**
- **HSC's**
- **DLA/NAVICP**

Logistics Elements of Readiness

- **Maintenance Plan**
- **Correct Allowance**
- **Replenishment**
 - repair
 - procure
 - transport
 - Stock Position
- **Inventory Strategy**



Logistics Readiness Triangle

right part ... right place ... right time

It
takes
a
team
!

ACWT

Maintenance

- Engineered Design
- Maintenance Plan
- Capability
- Readiness Risk

Inventory

- Supply Chain
- Location
 - Local
 - Distant
- Replenishment

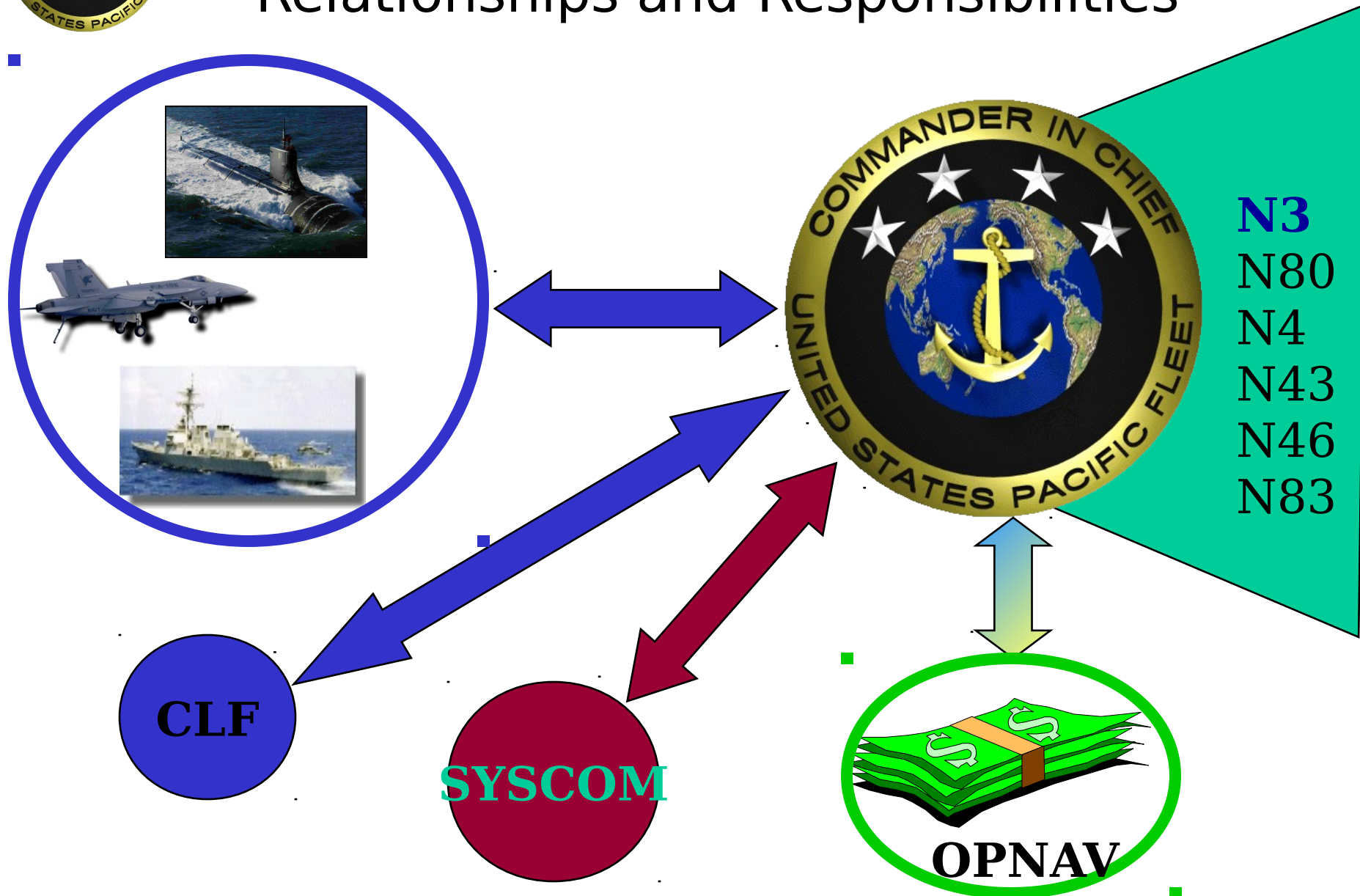
Material source

- Procurement
- Repair
 - “O”
 - “I”
 - “D”



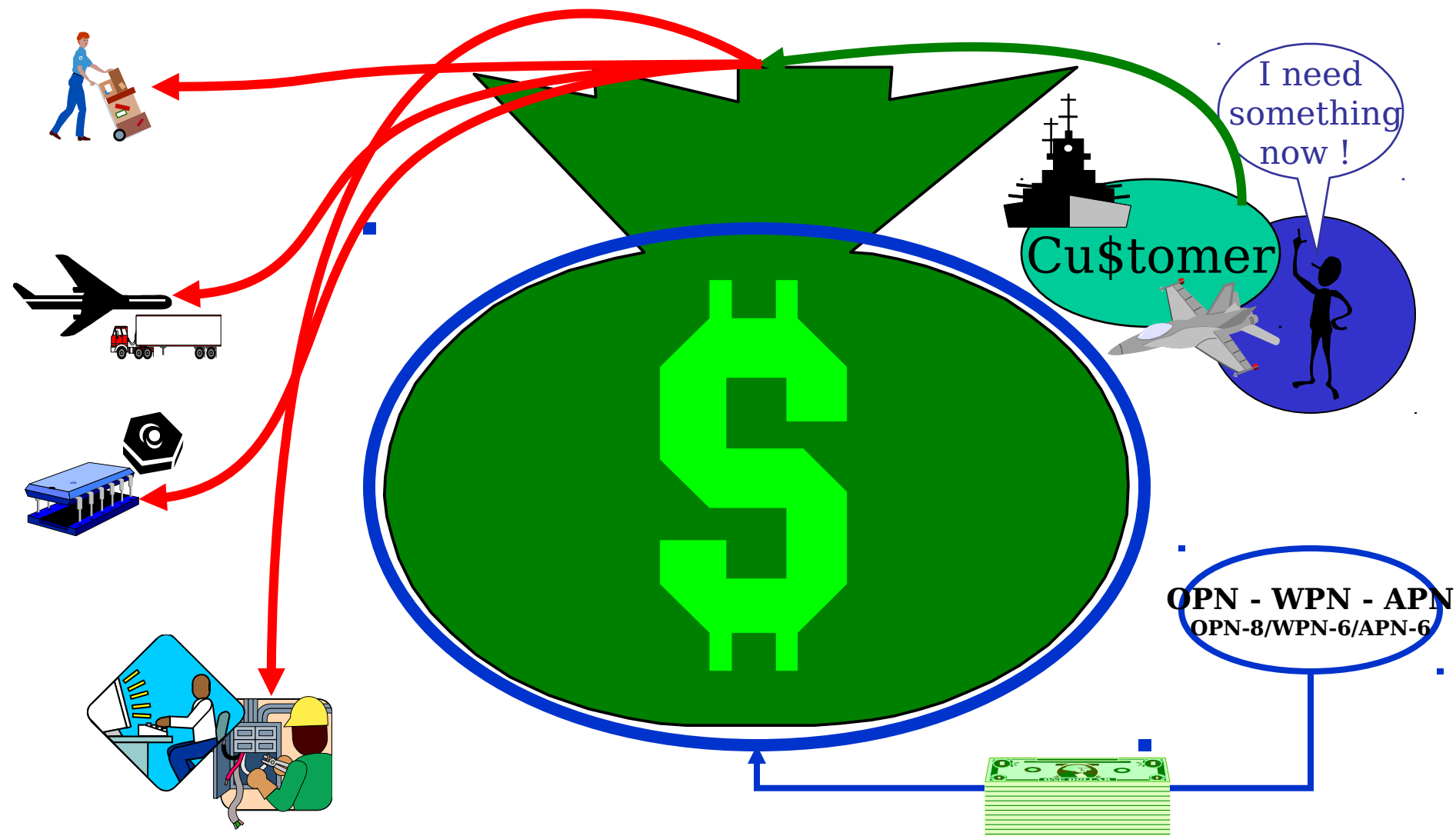
Logistics Program

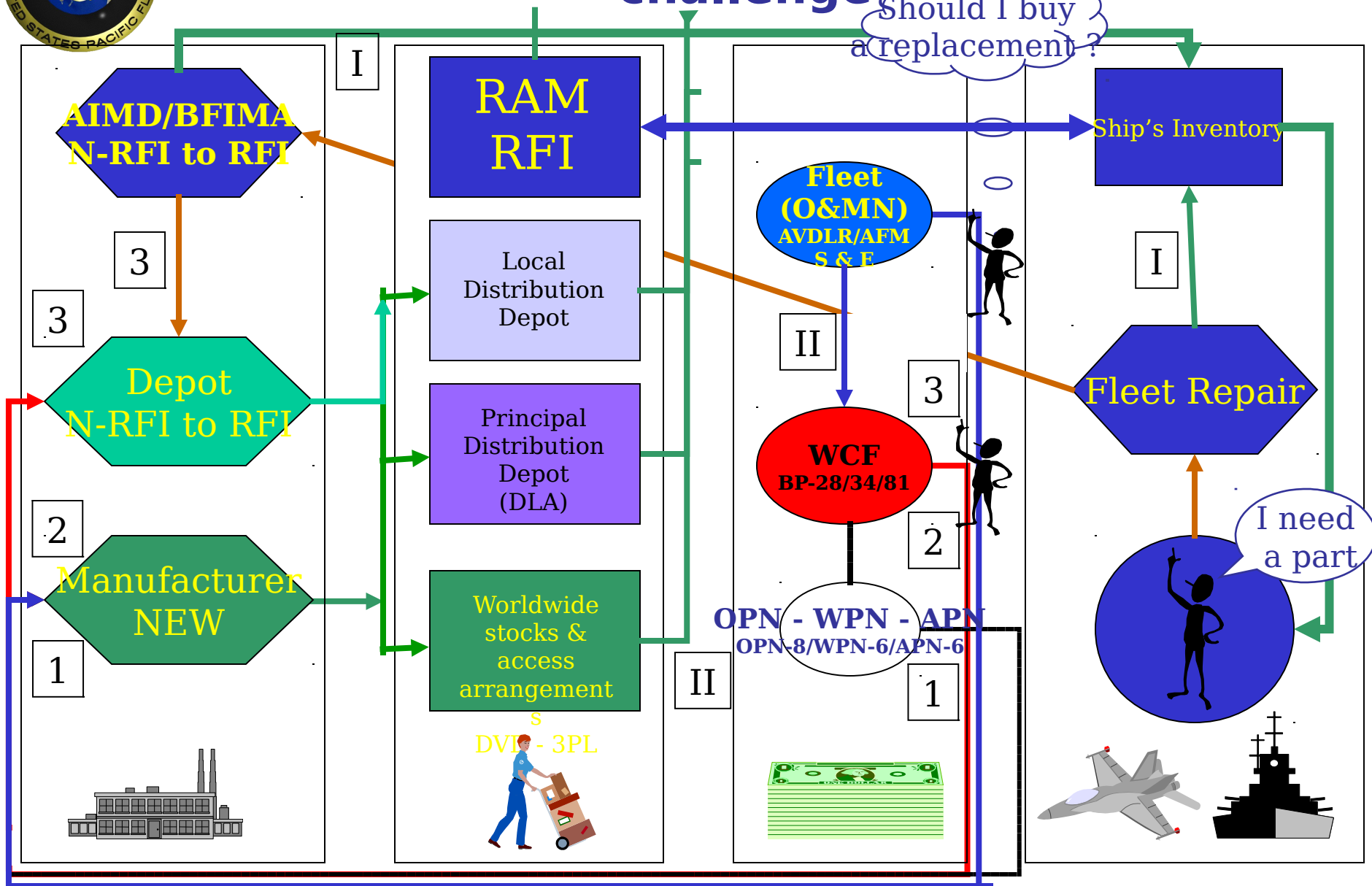
Relationships and Responsibilities





The Revolving Account Working Capital Fund







Supply Goal

- The fundamental goal for the Navy supply chain is to ensure:
 - **Right Part**
 - **Right Place**
 - **Right Time**



The Pacific Fleet

... focus on spares & piece part



500K Line Items Installed
17K Line Items Carried
1K Used in Ships Life
350 used regularly

Recent SSN 688 Reorder

339 Line Items
1364 total items
63% < \$100
41% filled by Navy Source
13.7% filled from excess



1996-1999

GOOD NEWS

75K Line Items to 35K

Gross Effectiveness
12%

Net Effectiveness
27%

BAD NEWS

\$ 11%





PACFLT Av-DLR 7R

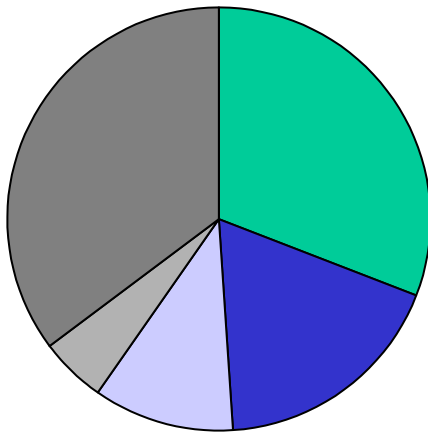
FY-00

- **NIIN #** 8,789 8,511 **FY-01**
- **Requisitions** 174.8K 150.8K
% of 00 NIIN's bought in 01 71.0%
- **BCM Quantity** 81.2K 68.8K
BCM 46.4% 45.6%
- **IF 100% Rqn BCM** \$1.51Billion \$1.61Billion
- **Actual Cost BCM** \$568Million \$564Million
- % NIINs Up** 40.9%
- % NIINs Dn** 30.0%
- Cost Using 00 Buy** 99.3%
- Cost Using 01 Buy** 104.69%



Ships Ops

FY-02 by Program



Program Execution

- **Model 3yr avg**
 - **Fuel**
 - **Utilities**
 - **TAD**
 - **Repair Parts**
 - **Other**
 - **CT - Security**
- **Must Fund**
 - **Charter**
 - **Utilities**
 - **Fuel**
 - **TAD (always short)**
- **Some account has to pay**

Need to be more ... Predictive



Ships Ops Model

CL-RS-PE	RS	CL	PE	Class	Ship Type	Fuel (SF)	Repair Parts (SR)	OPTAR (SO)	Utilities (SU)	NSI (000000)	Counter Terrorism (CT)
70-76-0204226N	76	70	0204226N	PC-1CL	PC	\$ -	-	-	-	-	104
70-76-0204226N Total						\$ -	-	-	-	-	104
70-77-0101228N	77	70	0101228N	SSBN-726CL	SSBN	\$ -	10,860	2,699	1,929	397	16
70-77-0101228N Total						\$ -	10,860	2,699	1,929	397	16
70-78-0204112N	78	70	0204112N	CV-63CL	CV	\$ 14,175.38	8,931	9,059	2,244	730	1,093
70-78-0204112N	78	70	0204112N	CVN-68CL	CVN	\$ 118.20	37,761	28,223	18,262	3,715	1,278
70-78-0204112N Total						\$ 14,293.58	46,692	37,282	20,507	4,445	2,370
70-76-0204221N	76	70	0204221N	CG-47CL	CG	\$ 41,832.95	38,363	15,219	11,920	971	1,280
70-76-0204221N Total						\$ 41,832.95	38,363	15,219	11,920	971	1,280
70-76-0204222N	76	70	0204222N	DDG-51CL	DDG	\$ 59,368.64	38,608	21,418	14,314	1,621	1,303
70-76-0204222N Total						\$ 59,368.64	38,608	21,418	14,314	1,621	1,303
70-76-0204223N	76	70	0204223N	DD-963CL	DD	\$ 14,002.41	10,701	5,038	3,121	213	801
70-76-0204223N Total						\$ 14,002.41	10,701	5,038	3,121	213	801
70-76-0204224N	76	70	0204224N	FFG-7CL	FFG	\$ 11,559.70	14,387	7,568	4,198	503	661
70-76-0204224N Total						\$ 11,559.70	14,387	7,568	4,198	503	661
70-77-0204281N	77	70	0204281N	SSN-774CL	SSN	\$ -	-	-	-	-	-
70-77-0204281N	77	70	0204281N	SSN-21CL	SSN	\$ -	-	-	-	-	-
70-77-0204281N	77	70	0204281N	SSN-688CL	SSN	\$ -	32,146	16,143	21,114	2,666	688
70-77-0204281N Total						\$ -	32,146	16,143	21,114	2,666	688
70-77-0204282N	77	70	0204282N	AS-39CL	AS	\$ 916.07	830	3,792	4,192	-	284
70-77-0204282N	77	70	0204282N	TWR/ARCO	SVC CRAFT	\$ 12.45	73	198	-	-	5
70-77-0204282N Total						\$ 928.52	902	3,989	4,192	-	289
70-75-0204411N	75	70	0204411N	LHA-1CL	LHA	\$ 16,349.42	8,113	9,717	9,299	730	299
70-75-0204411N	75	70	0204411N	LHD-1CL	LHD	\$ 13,124.73	7,693	8,883	8,014	565	697
70-75-0204411N	75	70	0204411N	LPD-17CL	LPD	\$ -	-	-	-	-	-
70-75-0204411N	75	70	0204411N	LPD-4CL	LPD	\$ 14,708.81	6,016	8,702	6,442	247	1,265
70-75-0204411N	75	70	0204411N	LSD-36CL	LSD	\$ 2,622.59	869	1,235	747	241	483
70-75-0204411N	75	70	0204411N	LSD-41CL	LSD	\$ 8,391.69	5,826	7,228	7,278	-	558
70-75-0204411N Total						\$ 55,197.23	28,517	35,765	31,780	1,783	3,302
70-76-0204412N	76	70	0204412N	AGF-11CL	AGF	\$ 1,561.69	811	1,339	986	18	182
70-76-0204412N	76	70	0204412N	LCC-19CL	LCC	\$ 3,001.29	1,596	3,749	1,286	173	230
70-76-0204412N Total						\$ 4,562.99	2,406	5,088	2,272	191	413
70-4-0204441N	4	70	0204441N	AOE-1CL	AOE	\$ 9,646.22	2,082	2,888	1,927	353	224
70-4-0204441N	4	70	0204441N	AOE-6CL	AOE	\$ 4,338.72	1,021	1,326	509	-	60
70-4-0204441N Total						\$ 13,984.94	3,103	4,213	2,436	353	284
70-76-0204452N	76	70	0204452N	ARS-50CL	ARS	\$ 507.94	1,583	1,451	941	113	225
70-76-0204452N Total						\$ 507.94	1,583	1,451	941	113	225
70-77-0204561N	77	70	0204561N	DSRV	SVC CRAFT	\$ 12.45	798	3,641	-	-	18
70-77-0204561N Total						\$ 12.45	798	3,641	-	-	18
70-76-0502351N	76	70	0502351N	FFG-7CL	FFG	\$ 4,737.96	5,399	4,145	2,239	143	575
70-76-0502351N Total						\$ 4,737.96	5,399	4,145	2,239	143	575



Proposed

[illegible]



Prediction

PSD Serial No./NSN	Equipment/NSN Nomenclature	POC	Part MTBF	MSD	#of Systems	Current Costs	Future Costs	Delta	Inflation	FY-02	FY-03
PMS400B0009125	FCS MK 92 MOD 6 BLOCK 8	AYALA, MILTON 805 228-0423		1/1/05							
631001000000			7								
			5								
			4								
			6								
			7								



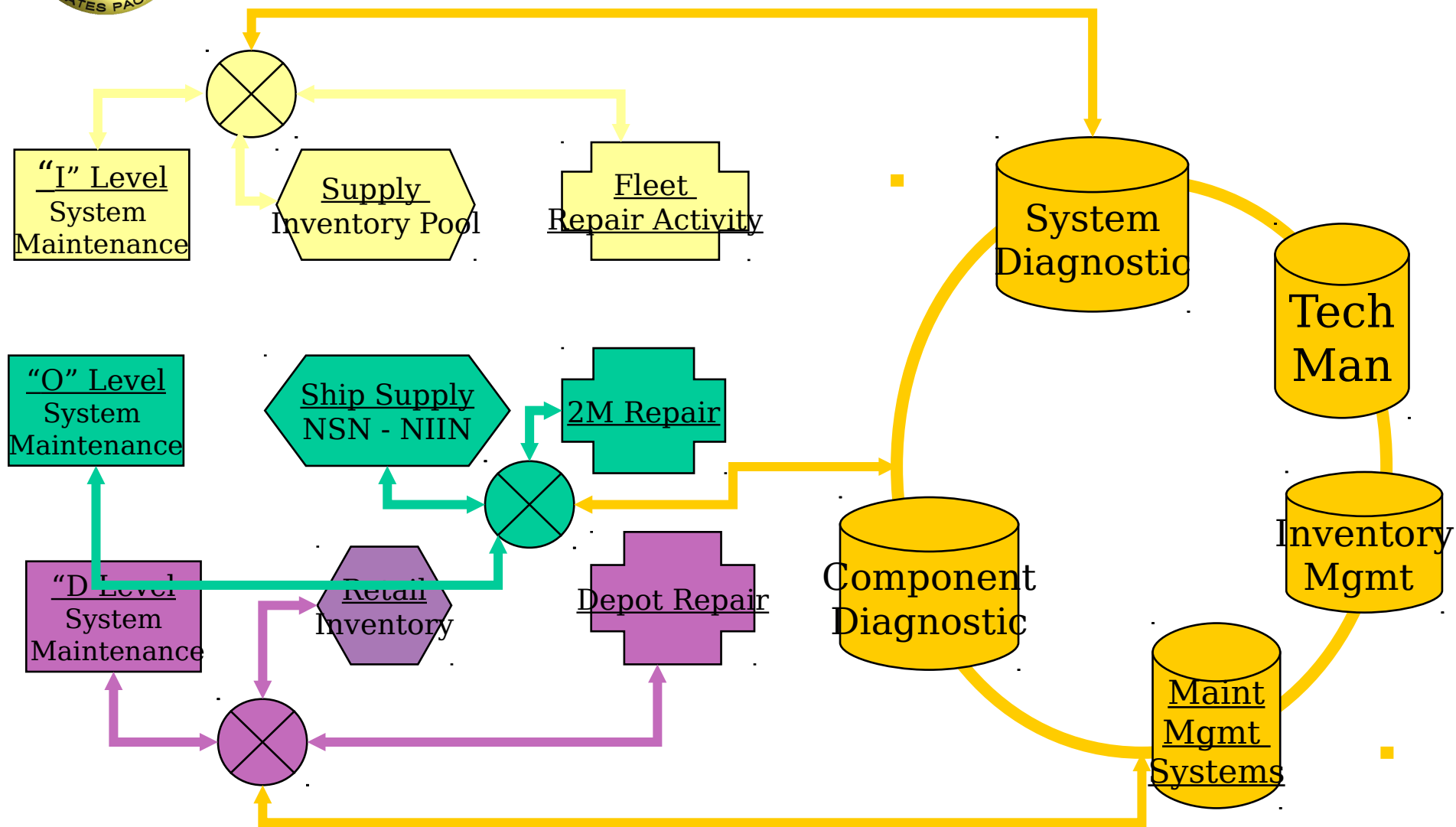
Obstacles

- Uncertainty
 - Is it available Locally ?
 - Can it be repaired ?
 - Where should it be repaired ?
 - How Long will it take to get or repair it ?
 - What will the TOTAL transaction cost be ?
- Not everyone is on the same page
 - Lack of common vision
 - Lack of common focus
 - Lack of Proper Prioritization
 - Stovepipe interests

**If we always do what we've always done ...
We'll always get what we've always gotten !**



Future Functionality Information Flow



Total Information Integration



Logistics Readiness Structure

Readiness Players

- Decision Makers
- Advisors
- Customers

Committees

- Maintenance Plan Support
- Allowance
- Replenishment
- Inventory Strategy
- Resourcing



Brainstorm

- What is our vision
- What are our successes
- What can we do within OUR OWN communities
- Prioritize
- Milestones



Actions

- Don't necessarily do what we've always done.
- Create a common vision
- Be more predictive
- Grade Equipment based on value
- Define part Class
 - A. Critical to equipment performance
 - B. Equipment 20% fully functional
 - C. Equipment 50% fully functional
 - D. Equipment 70% fully functional
 - E. Equipment 90% fully functional
- Determine part repairability
- Identify expected parts longevity
 - Part 1 will last 3 years between failure
 - Part 2 will last 6 years between failure
- Position Material to Support War Plans
- Determine Sustainment component (part and \$)



Takeaways

Goal

- **Changing Fleet (LPD-17)**
- **OpCmdr Support**
- **Visibility of ALL Assets**
- **Support ALL Users**
- **Interface with PACRIM Allies**
- **Export Concept to all CoC levels**
- **BETTER DECISIONS**

Road

- **Active Involvement** and participation of the **Customers/Users**
- Seek Out “**Pockets of Innovation**”
- Define Roles - **Breakdown Stovepipes**
- Build **Communications** Links
- Take a **Life Cycle** Approach
- **Integrate Software Applications**
- **Coordinate Enhancements**
- Information **Integrity & accuracy**
- **Single source data** entry

Fleet readiness and optimum use of all available resources and assets.

Right Information ... to the Right People ... at the Right Time